Plan Highlights

457(b) | Roth 457(b) | 401(k) | Roth 401(k) | 403(b)

What's a 457(b)? ...or a 401(k), Roth or 403(b)?

You've probably heard of the different types of retirement plans: 457(b) Deferred Compensation, 401(k), 403(b), 401(a) and Roth 457 or Roth 401(k) Plan Account. As a State of Maryland employee, there are plans created specifically for you.

MSRP offers a variety of retirement plans for employees like you to put aside money from each paycheck toward retirement. These plans can help bridge the gap between what you have in your pension and Social Security, and how much you'll need in retirement. The available plans include:

- **457(b)** Deferred Compensation Plan – tax-deferred, available to all State of Maryland employees, and also includes an after-tax Roth 457 option
- **401(k)** Savings and Investment Plan – tax-deferred, available to all State of Maryland workers, and also includes an after-tax Roth 401(k) option
- **403(b)** Tax Deferred Annuity Plan – tax-deferred, and available to employees of Maryland State educational institutions.
- **401(a)** If funding is provided in the State budget, Maryland law authorizes a matching payment for most employee contributions to State-sponsored supplemental retirement accounts. The status of the match program may change from year to year through legislative action.

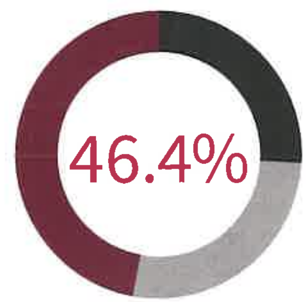
What does tax-deferred mean?

Basically, you don't pay income taxes on your plan contributions or earnings until you retire and/or begin to take payments from your account. This may lower your taxable income currently.

What does after-tax mean?

Unlike tax-deferred contributions, after-tax contributions are taxed before they are invested in your plan. Then the withdrawals that you take in retirement are tax-free, as long as certain conditions are met.

Average public employe retirement income replacement sources[1]



- 26.4% Social Securi
- 27.2% Pension
- 46.4% Other (like MSRP, savings etc.)

[1] Source: *How Prepared are State and Loc Workers for Retirement?* Center for Retir Research at Boston College, 2011.

Please keep in mind that MSRP participation involves investing, and investing involves market risk, including possible loss of principal. Nationwide Retiremen Specialists and Personal Retirement Consultants cannot offer investment, tax or legal advice. For these services, you should consult your own advisor We can help you understand market risk and other risks you may face and strategies that

Each of the plans feature:

- Automatic payroll deduction
- Minimum $5 biweekly contribution
- Maximum $19,500 contribution per year[1]
- Age 50 Catch-up provision of additional $6,500 per year.[1] See MarylandDC.com for detailed information on plan contribution limits
- Can contribute to more than one plan
- Change contributions anytime (effective within timing restrictions)
- Cost to participate is 0.12% of your account value a year, capped at $2,000 per year plus 50 cents per month per account[2]
- MSRP accepts rollovers from other qualified retirement accounts[3]
- Change payout amount/frequency as desired, except with purchased annuities
- Withdrawals are not required until age 72
- Loan, hardship/emergency withdrawal provisions

	457(b)	Roth 457(b)	401(k)	Roth 401(k)	403(b)
Who can join?	All regular and contractual State employees	All regular and contractual State employees, with no income limits	All regular and contractual State employees	All regular and contractual State employees, with no income limits	State educational institution employees
Taxation	Pre-tax contributions with withdrawals taxed as ordinary income.	After-tax contributions with qualified[4] withdrawals not subject to federal or Maryland income tax.	Pre-tax contributions with withdrawals taxed as ordinary income.	After-tax contributions with qualified[4] withdrawals not subject to federal or Maryland income tax.	Pre-tax contributions with withdrawals taxed as ordinary income.
When withdrawals can begin without incurring a 10% early withdrawal tax	Except for loans and emergencies, no withdrawals may be made while still employed with the State (unless age 72). Withdraws can be made upon leaving State service at any age.	Withdrawals may begin at age 59½ as long as the first Roth contribution has been in the account for 5 years.	Withdrawals during employment can be made beginning at age 59½—55 if no longer in State service.[5]	**Same rules as 401(k),** additionally, the first Roth contribution must have been in the account for 5 years.[5]	Withdrawals during employment can be made beginning at age 59½—55 if no longer in State service.[5]

[1] Source: IRS.gov

[2] In addition, each of the mutual funds offered by the plan has fund expenses that are netted directly from the mutual fund's daily price. These will vary based upon the mutual fund selected Also, some mutual funds may impose a short-term trade fee. Please read the underlying prospectuses carefully.

[3] There are generally several considerations relevant to evaluating whether you might rollover outside assets or leave the money where it is currently invested. Qualified retirement plans, deferred compensation plans and individual retirement accounts are all different, including fees and when you can access funds. Assets rolled over from your account(s) may be subject to surrender charges, other fees and/or a 10% early withdrawal tax if withdrawn before age 59½. It's important to understand retirement account differences and similarities, such as fees, services, investment options, etc., before making any rollover decisions.

This material is not a recommendation to buy, sell, hold or roll over any asset, adopt an investment strategy, retain a specific investment manager or use a particular account type. It does no take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Investors should work with their financial professional to discuss their specific situation..

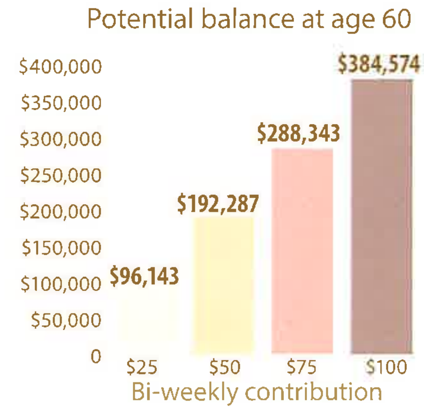
[4] Generally, a Roth 401(k) or Roth 457(b) distribution is a qualified distribution if: 1) the first Roth contribution has been in the account for 5 years (the five-year period begins January 1 of the year a member first makes a Roth contribution into the account); and 2) a member is age 59½, (and for the Roth 457(b) has separated from State service) or has died or become disabled under IRC section 72(m)(7). Distributions made prior to these requirements being met are nonqualified distributions, and earnings could be taxable.

[5] Other exceptions may apply. Check with your tax or legal advisor for more information.

MSRP

EZ enrollment

457(b)
401(k)



This illustration is a hypothetical compounding calculation assuming starting age of 25, continuous bi-weekly contributions and an annual 7% rate of return. It is not intended to serve as a projection or prediction of the investment results of any specific investment. Investments are not guaranteed. Depending on the underlying investments, the return may be higher or lower. Interest compounded annually based on beginning-year contributions. No taxes or fees are reflected in this example, which would lower the results displayed.

PERSONAL INFORMATION

(please print and provide information—even if you're not yet ready to join an MSRP Plan.)

Name______________________________ ☐ Male ☐ Female

Address______________________________

City ______________ State ________ Zip ____________

Home Phone______________ Work Phone ______________

Email Address ______________________________

Date of Birth ____/____/______ Hire Date ____/____/______

☐ Check this box if you are already a member of MSRP.

SIGN ME UP!

☐ I want to enroll in the MSRP Program and begin contributing:

☐ $25 per pay period OR ☐ $_______ per pay period

☐ **Paperless Delivery** I am consenting to receive statements, confirmations, terms, agreements and other information provided in connection with my retirement plan electronically.

☐ ***I acknowledge that I will receive a full Memorandum of Understanding in the mail. I will be enrolled into the 457(b) plan unless I am currently 55 or older, in which case I will be enrolled in the 401(k) plan. Your payroll deduction will be invested in the T. Rowe Price Retirement Trust closest to the year in which you turn age 65.***

Social Security Number______________________________

Signature______________________________Date ____________

Beneficiary____________________Relationship______________/________%

Please be sure to provide your Social Security Number, signature, and date.

Pre-tax contribution per pay	Amount from your take-home pay
$25	$17.31
$50	$34.63
$75	$51.94
$100	$ 69.25

Potential impact on take-home pay calculations, above, are based on federal tax rate of 25% and 5.75% state tax rate. These are approximate based on current salary, marital status, and W-2 tax deduction assumptions.

Investing involves market risk, including possible loss of principal. While Team MSRP cannot offer investment, tax or legal advice, we can help you understand the risks you may face and strategies that may help you deal with them. Not investing for retirement—or not investing enough—involves risk too. Talk with a Team MSRP Member about your options through the Maryland Supplemental Retirement Plans.

Please fill in the information below and fax this form to: 410-659-0349 or mail to: MSRP, 6 St Paul St, Ste. 200 Baltimore MD 21202

Number of pay periods per year__________Agency Code: ____________ Work Address: ______________________________

Payroll Type *(circle answer)*: Regular University Contractual Other Payroll Center Name *(circle answer)*: Central University Other

Pamela Thomas "I joined MSRP to have money to live on after working for 30 years. I look forward to no hassles, early morning deadlines, and all days off—my own schedule, in retirement."

Nadine Countess "Saving through MSRP will provide me with a safety net to ensure my family will not need to use their personal income to take care of me in my later years."

Jenny Goldentafer "I'm still working, but want to retire earlier, so maybe MSRP will help."

Derrick Thomas "As a former MSP & U.S. Air Marshall, preparing for my future is my main concern. I am learning that I need to make sure my money is keeping up with the inflation rate so I can keep the same standard of living in retirement. I am definitely going to make some changes now to protect my future."

Joshua Cain "My brother helped me through a difficult transition during a change of employment. Now, as a state employee, he has guided me through the MSRP savings process. This money will hopefully allow my family to buy a home some day."

Real people. Real stories.

We asked state employees why they save with MSRP. Here's what they had to say...

Margaret Gordon "It's easy to save through MSRP. "I didn't miss it (her contributions) or notice it was gone. I got used to it." In retirement this will help me with "stress-free living (hopefully) and travel (somewhat)."

Elvira Smith "I started saving because it was easy and effortless. My money started growing. It'll be another resource for me to use in retirement. "

Matthew Levin "I started saving with MSRP because I wanted to diversify my investments in a tax-sheltered retirement account. Many of my friends aren't saving because they don't plan to retire until they are in their 70s. I suggest to them to start saving a small amount. Getting started is what counts."

Ashley Harvin "MSRP has helped me save and invest a lot of money with its low fees and easy to use online access. With a touch of my phone, I can increase what I invest from my pay, decreasing my taxable income each year. It's a great program to be a part of for planning your financial future."

These experiences may not be representative of the experience of other participants. These experiences are not a guarantee of future performance or success.

Nationwide is the administrative service provider for MSRP. Nationwide Investment Services Corporation (member, FINRA), an affiliate of Nationwide, provides educational and enrollment services on behalf of MSRP. Financial & Realty Services, LLC may provide education and marketing support services on behalf of Nationwide. It's Retirement Consultants are registered representatives of Nationwide Investment Services Corporation, member FINRA.

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